

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6691**

**BILL NUMBER:** HB 1219

**NOTE PREPARED:** Dec 27, 2007

**BILL AMENDED:**

**SUBJECT:** Unemployment Insurance.

**FIRST AUTHOR:** Rep. Tyler

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill excludes from remuneration of services, for the purpose of determining income that is deductible from unemployment insurance benefits, compensation made by a valid negotiated contract or agreement in connection with a layoff or plant closure, without regard to how the compensation is characterized by the contract or agreement.

The bill specifies that a person who: (1) accepts an early retirement offer or other compensation offered by an employer to avert or lessen the effect of a layoff or plant closure; and (2) otherwise meets the eligibility requirements; is entitled to receive unemployment insurance benefits in the same amounts, under the same terms, and subject to the same conditions as any other unemployed person.

**Effective Date:** July 1, 2008.

**Explanation of State Expenditures:** The impact on the state would be as an employer and would depend on the number of layoffs or facility closings. The impact would probably be minor.

**Background:** The Unemployment Insurance Benefit Fund paid \$736.8 M in benefits in FY 2007, and the state as an employer paid \$5.9 M.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** The impact on local units would be as an employer. The impact would probably be minor.

**Explanation of Local Revenues:**

**State Agencies Affected:** All.

**Local Agencies Affected:** All.

**Information Sources:** Auditor's data.

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.